

INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
MARICOPA COUNTY, ARIZONA  
AND THE  
MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT

This Agreement ("Agreement") is made by MARICOPA COUNTY, ARIZONA, ("County") acting by and through its Board of Supervisors and the MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT ("District") acting by and through its Board of Directors and shall become effective on the date indicated below.

WHEREAS, the County, currently through Maricopa Integrated Health System ("MIHS"), has provided health care services to the citizens of Maricopa County for over 125 years;

WHEREAS, on November 4, 2003, a majority of the qualified electors in Maricopa County did vote "yes" to form a Special Health Care District;

WHEREAS, the County and District wish to ensure that employees of MIHS who will be affected by the creation of the District are treated with respect and dignity during the creation and transition process;

WHEREAS, it is the desire of the District and County to provide a seamless transition for MIHS employees to that of the District and in doing so, the District and County hereby agree to the following terms and conditions:

- I. **Definition of Terms:** As used in this Agreement the terms listed below are defined as follows:
  - 1.1 Classified Employee - A County employee covered by the Maricopa County Merit Rules
  - 1.2 County - Maricopa County
  - 1.3 District – Maricopa County Special Health Care District established pursuant to A.R.S. § 48-5501.01, approved by the majority of electors voting on November 3, 2003
  - 1.4 MIHS - Maricopa Integrated Health System.
  - 1.5 Transfer Date - The date that a County employee transfers to District service, shall be 12:01 AM January 1, 2005, unless the parties agree to a different date.
  - 1.6 Unclassified Employees - County employees (including temporary and contract) not covered by the Maricopa County Merit Rules holding positions identified in A.R.S. § 11-352.
  - 1.7 Health Benefits – Shall mean medical, dental, pharmacy, mental health and substance abuse benefits.

- 1.8 Fringe Benefits –Shall mean including but not limited to life insurance coverage, flexible health and child care spending accounts, disability coverage, eye care, commuter assistance programs, employee assistance programs.

## II. **TERMS AND CONDITIONS**

1. The District agrees to provide employment to all County employees who are employed by MIHS as of the Transfer Date. The County agrees to transfer into District service all Classified and Unclassified County employees who are employed by MIHS as of the Transfer Date. The parties further agree that County employees who transfer to District employment shall not be required to serve a new initial probationary period. If an employee has not yet successfully completed their initial probationary period prior to the transfer date, the employee shall serve the remainder of the probationary period with the District after the Transfer Date.
2. The District agrees to adopt the Maricopa County Merit System Resolution and Rules by reference. The County shall permit the District to utilize the Maricopa County Merit Commission, including hearing officers for all matters falling under the Merit Commission's jurisdiction, at the going rates and fees charged the County, until such time that the District adopts its own Merit System rules and procedures and selects its own hearing officers.
3. Effective as of the Transfer Date, the District shall assume sole responsibility for the employee payroll and administration of all benefits for all employees who have transferred from County to District service. Upon an employee's transfer to District service, the District shall assume liability for payment of salaries, benefits, personal leave, and family/medical leave. The transferred employee shall retain their current County salary, current leave balances, and retain the effective date of employment of County service (the earlier of seniority or County leave accrual date) as of the date of District employment. County employees who transfer to District employment shall not be required to serve a new initial probationary period. If an employee has not successfully completed an initial probationary period prior to the transfer date, the employee shall serve the remainder of the probationary period with the District after the transfer date.
4. The District agrees to adopt the Maricopa County Compensation Plan by reference.
5. The District agrees to adopt the Maricopa County Personnel Policies and Procedures by reference.

6. The District agrees to provide employees with a comparable benefit plan design (health benefits and fringe benefits) as offered to County employees, although benefit rates may differ. The County shall cooperate with the District by permitting the District to purchase health benefits and fringe benefits, to the extent permitted by law, through the Maricopa County Total Compensation Department in accordance with an Affiliate Employer Agreement, which will be negotiated prior to the provision of health benefits or fringe benefits.
7. All District employees will retain membership and coverage in the Arizona State Retirement System.
8. The District agrees to offer its employees the option to participate in an IRS 457 deferred compensation plan. The County agrees to transfer to the District all MIHS deferred compensation employee trust assets, to the extent permitted by law.
9. The County agrees to transfer the original personnel files for all MIHS employees to the District on or before the Transfer Date.
10. Applicable Law: The parties are authorized to enter into this Agreement pursuant to A.R.S. § 11-952 and have taken the necessary actions to enter into this Agreement.
11. Duration of the Agreement: This Agreement will continue in effect until 12:00 AM on January 1, 2006, unless extended by mutual agreement of the parties. However, the parties agree and acknowledge that terminating, changing or implementing any of the products or services contemplated by this agreement during a plan year may cause additional costs or charges to be imposed, which will be negotiated between the parties at that time.
12. Effective Date: This Agreement shall take effect after execution by both parties. Pursuant to A.R.S. § 11-952 (G), this Agreement shall be filed with the County Recorder.
13. Conflict of Interest. By executing this agreement, the parties acknowledge that they are each represented by an attorney with the Division of County Counsel, Maricopa County Attorney's Office to act as their attorney for the purpose of reviewing this IGA in accordance with the requirements of A.R.S. § 11-952, and they specifically waive any possible conflict of interest that may exist by virtue of that office's representation of other party to this agreement.
14. No Modification. This Agreement may not be modified orally or in any

manner other than by an agreement in writing signed by all parties hereto.

15. The District and the County further agree to negotiate fair and reasonable county reimbursement rates or costs to cover any additional fees, charges or costs incurred by the County in implementing, providing or administering any of the services or contracts made available by this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by their proper officers on the dates indicated.

MARICOPA COUNTY BOARD OF SUPERVISORS

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Chairman

ATTEST:

MARICOPA COUNTY CLERK OF THE BOARD

By: \_\_\_\_\_  
Fran McCarroll

In accordance with A.R.S. § 11-952 this contract has been reviewed by the undersigned who has determined that this contract is in appropriate form and within the powers and authority granted Maricopa County.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy County Attorney

MARICOPA SPECIAL HEALTH CARE DISTRICT

Date: \_\_\_\_\_

By: \_\_\_\_\_

In accordance with A.R.S. § 11-952 this contract has been reviewed by the undersigned who has determined that this contract is in appropriate form and within the powers and authority granted the Maricopa Special Health Care District.

Date: \_\_\_\_\_

By: \_\_\_\_\_

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